REPORT FOR ACTION

10-Year TPA Fleet Replacement and Decarbonization Program (2026 to 2035) Phase One (1)

Date: May 4, 2026
To: Board of Directors of the Toronto Parking Authority
From: President, Toronto Parking Authority
Wards: All

SUMMARY

The purpose of this report is to obtain approval from the Board of Directors of the Toronto Parking Authority (TPA) for Phase One (1) of a fleet replacement and decarbonization plan.

Phase One (1) of the Fleet Replacement and Decarbonization Program (2026–2028) represents the first stage of TPA's sustainable fleet transition and replacement strategy, with a focus on replacing the most critical end-of-life fleet assets. Approval is sought for spending authority of $3,300,000, excluding HST, to replace thirty (30) vehicles and to authorize TPA to procure fleet vehicles and related equipment through the City of Toronto's Fleet Services Division (FSD).

The TPA operates a fleet of approximately seventy-six (76) assets. In 2024, the TPA commissioned GHD Limited Canada (GHD) to develop a Sustainable Fleet Plan. The plan provides a long-term fleet replacement and transition strategy aligned with the City of Toronto's TransformTO Net Zero Strategy, with the objective of achieving 100% fleet electrification and eliminating an estimated five (5) million kilograms of CO_2 emissions.

As part of Phase One (1) of the Sustainable Fleet Plan, thirty (30) vehicles have been identified for replacement by the end of 2028. These vehicles are approaching, or have exceeded, their useful service life, resulting in increased maintenance costs, operational reliability risks, and higher greenhouse gas (GHG) emissions.

TPA is leveraging the City of Toronto's Fleet Services Division (FSD) to support fleet procurement, maintenance, and driver safety programs. In collaboration with FSD, TPA conducted a comprehensive fleet efficiency review, identifying opportunities to improve efficiency, standardization, and cost effectiveness for both fleet procurement and

management. As a result, TPA intends to transition fleet procurement and management functions to FSD under a shared service model.

RECOMMENDATIONS

The President, Toronto Parking Authority, recommends:

1. That the Board of Directors of Toronto Parking Authority approve the TPA Fleet Replacement and Decarbonization Program (2026 to 2035) Phase One (1) described in this report (dated May 4, 2026) with a total capital investment of approximately $3,300,000 (excluding HST) and authorize TPA to procure fleet vehicles and equipment through the City of Toronto's Fleet Services Division.

FINANCIAL IMPACT

Based on a jointly developed and vetted analysis completed by TPA and FSD, sixty-five (65) fleet vehicles have been identified for replacement over a 10-year planning period (2026-2035). The total estimated capital requirement to replace these 65 fleet units is approximately $7,200,000 (excluding HST). This estimate reflects market-based pricing for zero or low emission replacement vehicles and equipment where feasible and incorporates a full asset lifecycle perspective.

The first three (3) years of implementation (2026-2028), representing the initial phase of the Sustainable Fleet Plan, establishes a levelled and scheduled replacement cadence aligned with operational capacity and TransformTO objectives.

Table 1: *Three Year Capital Replacement Summary (2026-2028)*
(ZEV feasible estimates, excluding HST)

Year	Units to be Replaced	Estimated Capital Cost ($)
2026	7	683,437.50
2027	11	1,035,915.63
2028	12	1,414,700.50
Total (2026–2028)	**30**	**3,134,053.63**

The remaining thirty-five (35) units, with an estimated replacement value of approximately $4,000,000, are scheduled for replacement between 2029 and 2035. This schedule reflects asset condition, lifecycle timing, and market readiness for fit for use vehicles and equipment.

Capital funding for fleet replacement is contained in the TPA's fleet decarbonization capital budget line as part of the TPA multi-year capital plan. Procurement will be delivered through FSD leveraging their procurement framework, technical expertise and economies of scale.

Final vehicle selection, timing, and award values are subject to:

- Approved annual capital budgets
- Market availability of suitable vehicles and equipment
- Operational requirements and infrastructure readiness

CALL SUMMARY

In collaboration with FSD, TPA will leverage City of Toronto's contracts and procurement processes for fleet procurement. TPA's requirements will be included in the FSD fleet procurement plans, and TPA will utilize existing City of Toronto's contracts for fleet procurement and fleet maintenance.

DECISION HISTORY

At its meeting on June 25, 2018, TPA Board of Directors approved Item 2018.PA12.5, "Toronto Parking Authority Fleet Vehicle Replacement – 2018". This item requested the purchase of eight (8) replacement fleet vehicles comprising five (5) service minivans, three (3) pickup trucks from ARI Fleet Management Services, in an amount not exceeding $294,631 (excluding HST), inclusive of vehicle upfitting and contingency. The Board also authorized the decommissioning and disposal of the TPA replaced vehicles in accordance with TPA Board policy.
https://secure.toronto.ca/council/agenda-item.do?item=2018.PA12.5

At its meeting on April 24, 2017, TPA Board of Directors approved item 17-058 "TPA Fleet Vehicle Purchase Plan 2017", authorizing the procurement of three (3) service minivans, eleven (11) pickup trucks from ARI Fleet Management Services, at a total amount not exceeding $591,201 (excluding HST), inclusive of vehicle upfitting and contingency. The Board also authorized the decommissioning and disposal of the replaced vehicles in accordance with Board policy.
https://parking.greenp.com/app/uploads/2017/09/00000163_minutes.pdf

At its meeting on May 26, 2016, TPA Board of Directors item 16-074 "Comprehensive TPA Fleet Vehicle Maintenance Management and Replacement Plan 2015-2016", authorizing the procurement of six (6) cargo vans, seven (7) pick-up trucks at a total amount not exceeding $558,188 (excluding HST) and the award of a multiyear fleet management services agreement to ARI Fleet Management Services (Holman Automotive Group).
https://parking.greenp.com/app/uploads/2016/12/00000152_minutes.pdf

COMMENTS

TPA operates a fleet of approximately seventy-six (76) assets, including light- and heavy-duty vehicles, commercial sweepers, scrubbers, trailers, and specialty vehicles that support parking operations across its portfolio of on street parking stalls, garages and surface lots. The last significant fleet replacement program undertaken by TPA occurred between 2016 and 2018 and included the procurement of thirty-five (35) vehicles. Since 2018, vehicle replacement has occurred on an ad hoc basis, driven primarily by operational necessity and asset condition rather than through a structured lifecycle replacement program.

In 2024, TPA engaged GHD Limited Canada (GHD) to prepare a report for a Sustainable Fleet Plan. As part of this work, GHD undertook scenario analysis to evaluate fleet replacement options and identify the approach that would provide the most appropriate balance between capital investment, operating cost reduction, emissions reduction, and operational resilience, while aligning with the TransformTO objectives.

GHD's report recommended that TPA adopt a phased and levelled fleet replacement strategy that achieves the replacement of 100% of the TPA fleet with battery operated vehicles by the year 2040. The report identified thirty-six (36) vehicles constituting 53% of the TPA vehicular fleet that should be replaced by the year 2029.

The recommended approach is intended to avoid significant capital spikes, support predictable long-term planning, and enable the gradual transition to fit for use zero-emission vehicles. The strategy includes the planned replacement of assets reaching end-of-life based on lifecycle analysis, prioritization of vehicles and equipment with high emissions, elevated safety risk, or increasing maintenance requirements, and the gradual integration of zero- and low-emission technologies where operationally feasible and commercially available.

Following the GHD report, TPA worked with the City's Fleet Services Division to develop a multi-year plan to replace vehicles that have reached, or are approaching, the end of their service life. The plan is supported by a comprehensive asset lifecycle analysis and aligns fleet replacement with the City's TransformTO targets. The total program cost is estimated at approximately $7.2 million in current dollars over ten (10) years, delivered through a phased and sustainable fleet transition.

The 10-Year TPA Fleet Replacement and Decarbonization Program (2026 to 2035) provides a structured 11-year roadmap for the phased replacement of the organization's fleet. It is intended that the procurement associated with this plan be performed by FSD ensuring that TPA is adequately leveraging the purchasing power and technical expertise afforded by the FSD fleet services program.

The program is proposed to be delivered in three phases, enabling TPA to prioritize end-of-life assets, address vehicles with the highest maintenance, safety, and emissions risks, and gradually integrate zero- and low-emission technologies as operational needs and market conditions allow. This phased approach will help smooth capital investment over time, reduce the risk of service disruption, and provide a practical pathway to modernize the fleet in alignment with the City's TransformTO Net Zero Strategy. The estimated value of each of these phases is listed below.

- Phase 1 (2026 - 2028)
  Includes the replacement of thirty (30) vehicles at an estimated cost of $3.3 million. The vehicles being replaced in this phase have in-service dates between 2013 and 2017.

- Phase 2 (2029 - 2031)
  Includes the replacement of twenty-two (22) vehicles at an estimated cost of $2.3 million. The vehicles being replaced in this phase have in-service dates between 2018 and 2021.

- Phase 3 (2032 – 2035)
  Includes the replacement of thirteen (13) vehicles at an estimated cost of $1.9 million. The vehicles being replaced in this phase have in-service dates between 2021 and 2025.

Additionally, TPA intends to transition to a shared-service fleet management model with FSD. The proposed model is expected to leverage City-wide procurement efficiencies and technical expertise, improve data consistency and asset lifecycle management, reduce administrative duplication, and strengthen safety, training, and incident management frameworks. Service Level Agreements (SLAs) are currently under development to formalize roles and responsibilities, performance expectations, and reporting requirements.

CONTACT

Jarrett McDonald, Vice President, Operations, Toronto Parking Authority
(437) 833-3363, Jarrett.McDonald@greenpmobility.com

Kieran Hess, Director, Parking Operations, Toronto Parking Authority
(437) 774-9714, Kieran.Hess@greenpmobility.com

SIGNATURE

W. Scott Collier, President
Toronto Parking Authority

ATTACHMENTS

Attachment 1: Sustainable Fleet Plan – Executive Summary